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Dealerscope Merchandising

SEPTEMBER 1989
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CHRISTMAS WISHBOOK

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BPA

PERISCOPE

Can a 1991 Solution Solve a 1989 Problem?

TALK about licking their chops. Retailers, struggling through a dreadful summer season of reduced store traffic and predatory hi-fi and camcorder pricing, woke up one fine morning to discover the way apparently had been cleared for U.S. sales of digital audio tape (DAT) recorders. Every print and electronic mass media vehicle, it seemed, was devoting space and time to the announced settlement of the copyright dispute between record companies and stereo equipment manufacturers.

The focus of the agreement is the Serial Copy Management System (SCMS), which allows DAT machines to make one copy from a CD, prerecorded DAT cassette or digital broadcast but prevents subsequent copying of the tapes.

Unfortunately, fate is playing a cruel trick on those dealers who have anxiously awaited the addition of DAT to their store's product arsenal. For one thing, the agreement requires legislative action to ensure compliance and that approval, at best guess, is at least six months off.

For another, DAT recorders initially will sell for $1,000 to $2,000. Blank tapes are likely to cost $15-$20 and prerecorded tapes $25 and up. Clearly not mass market pricing. Of course the history of consumer electronics is replete with examples of highly priced new technology items becoming affordably priced in a relatively short time.

What is more, just because record companies will no longer fight the introduction of DAT does not mean they warmly embrace the product and intend to flood the market with music released on the new digital format. Early indications are quite the opposite: The record industry does not seem overly thrilled with the prospect of carrying another music format, especially since its last two, CD Singles and CD Video, are not exactly setting sales records.

The bottom line for hi-fi dealers, then, is that one day DAT probably will represent a good business opportunity. But it isn't now. So let's spend the time before the debut of the new DAT recorders concentrating on existing, product and figuring out real solutions to the current sales doldrums.

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PEOPLE ON THE MOVE: Major Appliance

Changes at Whirlpool: **Walter J. Coleman** is named VP, consumer services; **Richard D. Koeller** is appointed VP, information technology; **Mark Montague** becomes VP, human resources and **Alan Voorhis** is named plant manager of the Benton Harbor division. At Whirlpool Financial, **Thomas W. Brookover** is named to head up the recently reorganized inventory financing operations.

Coleman *Montague*

Lawrence R. Johnston is appointed VP of GE Appliances' sales and distribution.

Raytheon's board of directors elects **Henry J. Meyer** senior VP and **John A. Kammerer II** VP.

Johnston *Detrick*

Sean W. Kelly is appointed district sales manager in Southern California and **Gerry Reda** district sales manager for Iowa and Nebraska by Modern Maid.

Amana Refrigeration names **Ronald L. Mock** VP, market development and promotes **Steven W. Penney** to general manager, branch operations.

Richard Detrick is named general manager and **Henry F. Doersam** becomes director of engineering at Marvel Industries. ■

STAT WATCH

MAJOR HOME APPLIANCE FACTORY SHIPMENTS,* THOUSANDS OF UNITS
June 1989

	June			Calendar Year to Date			Calendar Quarter		
	1989	1988	% Change	1989	1988	% Change	1989	1988	% Change
ALL MAJOR APPLIANCES**	4,573.3	4,727.7	- 3.3	25,937.2	24,745.3	+ 4.8	13,133.8	13,009.9	+ 0.8
COOKING—TOTAL	1,222.4	1,298.6	- 5.9	7,895.7	7,463.8	+ 5.8	3,763.4	3,603.4	+ 4.4
Electric Ranges—Total	263.4	309.7	- 14.9	1,498.3	1,549.3	- 3.3	755.5	819.3	- 7.8
Free Standing	206.5	239.4	- 13.7	1,180.8	1,233.7	- 4.3	598.1	652.5	- 8.3
Built-In	56.9	70.3	- 19.1	317.5	315.6	+ 0.6	157.4	166.7	- 5.6
Gas Ranges—Total	184.6	215.2	- 14.2	1,037.0	1,070.5	- 3.1	528.9	563.9	- 6.2
Free Standing	172.9	202.5	- 14.6	979.9	1,005.9	- 2.6	499.6	530.5	- 5.8
Built-In	11.7	12.7	- 7.9	57.1	64.6	- 11.6	29.3	33.4	- 12.3
Microwave Ovens/Ranges***	788.2	789.2	- 0.1	5,443.4	4,933.0	+ 10.3	2,519.5	2,264.0	+ 11.3
HOME LAUNDRY—TOTAL	960.9	928.6	+ 3.5	5,465.1	5,301.2	+ 3.1	2,647.2	2,598.5	+ 1.9
Automatic Washers	572.3	546.1	+ 4.8	3,166.1	3,070.8	+ 3.1	1,562.1	1,534.4	+ 1.8
Dryers—Total	388.6	382.5	+ 1.6	2,299.0	2,230.4	+ 3.1	1,085.2	1,064.1	+ 2.0
Electric	299.3	300.8	- 0.5	1,775.2	1,732.1	+ 2.5	834.1	828.7	+ 0.7
Gas	89.2	81.7	+ 9.2	523.8	498.3	+ 5.1	251.1	235.4	+ 6.7
KITCHEN CLEAN UP—TOTAL	673.1	686.2	- 1.9	4,128.2	4,063.4	+ 1.6	1,944.6	2,007.4	- 3.1
Disposers	331.3	335.7	- 1.3	2,186.9	2,043.8	+ 7.0	1,001.8	960.9	+ 4.3
Dishwashers—Total	323.7	329.6	- 1.8	1,832.8	1,902.2	- 3.6	890.7	989.5	- 10.0
Built-In	306.8	311.5	- 1.5	1,727.2	1,777.2	- 2.8	845.0	931.6	- 9.3
Portable	16.9	18.1	- 6.6	105.5	125.0	- 15.6	45.7	57.9	- 21.1
Compactors	18.1	21.0	- 13.8	108.5	117.4	- 7.6	52.2	57.0	- 8.4
FOOD PRESERVATION—TOTAL	901.1	879.8	+ 2.4	4,092.6	3,946.2	+ 3.7	2,326.9	2,248.5	+ 3.5
Refrigerators	785.1	753.4	+ 4.2	3,498.1	3,338.2	+ 4.8	2,006.9	1,902.7	+ 5.5
Freezers—Total	116.0	126.4	- 8.2	594.6	608.0	- 2.2	320.0	345.0	- 7.5
Chest	64.6	68.1	- 5.1	338.2	326.6	+ 3.6	184.7	184.5	+ 0.1
Upright	51.4	58.3	- 11.8	256.4	281.4	- 8.9	135.3	161.4	- 16.2
HOME COMFORT—TOTAL	815.8	934.5	- 12.7	4,355.6	3,970.7	+ 9.7	2,431.6	2,552.0	- 4.7
Room Air Conditioners	718.2	834.9	- 14.0	3,938.5	3,442.0	+ 14.4	2,183.9	2,236.0	- 2.3
Dehumidifiers	97.7	99.6	- 1.9	417.0	528.7	- 21.1	247.7	316.1	- 21.6

*Domestic plus export shipments: includes both U.S. produced and imported products.
**Numbers do not add because of overlapping product categories.
***Includes microwave ovens and combination microwave ovens/ranges.
Source: AHAM (Assn. of Home Appliance Manufacturers).